



201103150061

Skagit County Auditor

3/15/2011 Page

1 of 46 3:14PM

RETURN TO:

City of Anacortes
P.O. Box 547
Anacortes, WA 98221

ORDINANCE NO. 2845

AN ORDINANCE VACATING A RIGHT-OF-WAY OF CERTAIN PORTIONS OF 25th STREET BLOCK 2 AND A PORTION OF THE ALLEY IN BLOCK 3 PLAT OF HENSLER'S FIRST ADDITION MAP OF ANACORTES RECORDS OF SKAGIT COUNTY WASHINGTON

THE CITY COUNCIL OF THE CITY OF ANACORTES DOES HEREBY ORDAIN AS FOLLOWS:

M9543
GUARDIAN NORTHWEST TITLE CO.

WHEREAS, the requisite number of owners, principally including Skagit County Public Hospital District No. 2, a Washington municipal corporation ("Island Hospital"), of property abutting certain streets and alleys located within the City of Anacortes (the "City") have petitioned for an alteration of the plats in which those streets are contained, and have requested vacation of a portion of the streets therein; and

ACCOMMODATION RECORDING ONLY

WHEREAS, Island Hospital plans to construct improvements in the vicinity of the area of right-of-way proposed for vacation, including a "Low Impact Development Demonstration Project," to include a pocket park, rain garden and public parking on a portion of 25th Street, in addition to improvements to a portion of 26th Street with perpendicular public parking and pavement of an alley connecting to 24th Street; and

WHEREAS, in connection with the vacated areas, Island Hospital will grant easements for utilities and sidewalk in favor of the City; and

WHEREAS, City Council recognizes the City and public benefit that will inure from the construction of the Low Impact Development Demonstration Project; and

WHEREAS, the City Council held a public hearing on said proposal on March 3, 2008 and on August 16, 2010, following a recommendation from the Board of Adjustment based on a hearing held on December 6, 2007, and agreed to approve the proposal as set-forth below; now, therefore,

**THE CITY COUNCIL OF THE CITY OF ANACORTES, DOES HEREBY
ORDAIN AS FOLLOWS:**

SECTION 1. The following described right-of-way on streets and alleys located in the City of Anacortes should be and are hereby vacated:

That portion of 25th street in the Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington lying east of the west line of Section 19, Township 35 North, Range 2 East, W.M. and west of the east line of Lot 8, Block 3 of said Plat extended northerly to the south line of Block 2 of said Plat.

TOGETHER WITH that portion of the alley in Block 3, Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington lying east of the west line of said Section 19 and west of a line from the northeast corner of Lot 17 in said Block 3 to the southeast corner of Lot 8 in said Block 3.

All as shown on the Survey for B. Jurkovich & Skagit County Hospital Dist #2, recorded under Auditor's File Number 200803120069.

Situate in the City of Anacortes, Skagit County, Washington.

SECTION 2. In lieu of cash compensation for the vacated areas, the City of Anacortes shall accept compensation valued at \$300,486.00, pursuant to AMC § 12.50.130, through the following:

(a) Island Hospital's construction of improvements to a portion of 25th Street as a Low Impact Development Demonstration Project in the area identified on Exhibit A attached hereto, which shall include a pocket park, rain garden and public parking;

(b) Island Hospital's construction of improvements to a portion of 26th Street, including perpendicular parking in the area identified on Exhibit B attached hereto;

(c) Island Hospital's construction of improvements to an alley connecting to 24th Street, including paving in the area identified on Exhibit C attached hereto; and

(d) Island Hospital's grant to the City of the following easements: (i) an easement over a portion of Lot 5, Block 2, Hensler's First Addition, for ingress, egress and utilities, as approved by the Public Works Director, pursuant to the Utility and Access Easement Agreement in substantially the form attached hereto as Exhibit D; (ii) easements for utilities over two portions of the vacated area in 25th Street, as approved by the Public Works Director, pursuant to the Utility Easement Agreement in substantially the form attached hereto as Exhibit E; and (iii) an easement over a portion of Lots 13-17, Block 3, Hensler's First Addition, for a city sidewalk,



as approved by the Public Works Director, pursuant to the Sidewalk Easement Agreement in substantially the form attached hereto as Exhibit F.

The City agrees that the value of the easements is Fifty Nine Thousand Eight Hundred Forty One and No/100 Dollars (\$59,841.00).

SECTION 3. All of the foregoing improvements shall be completed, inspected and approved by the City prior to Island Hospitals occupancy of the new Medical Arts Pavilion.

SECTION 4. Island Hospital shall submit to the City upon completion of the improvements identified in Section 2(a)-(c) above a full and detailed accounting of all funds spent in connection with the design, materials, inspections, permits, applicable taxes, consultants and labor directly related to such improvements (the "Construction Costs"). To the extent that actual Construction Costs, combined with the value of the easements being granted in connection with Section 2(d) of this ordinance, are less than \$300,486.00, Island Hospital shall tender to the City of Anacortes, together with the accounting, cash in an amount that is equal to the difference between \$300,486.00 and the Construction Costs.

SECTION 5. Effective Date: This ordinance shall take effect from and after 5 (five) days after its passage and publication as required by law. A certified copy of this ordinance shall be recorded by the City of Anacortes in the office of the Skagit County auditor, as required by AMC § 12.50.160.

PASSED AND APPROVED this day of , 2010.

CITY OF ANACORTES:

BY: H. Dean Maxwell
H. Dean Maxwell, Mayor

ATTEST:

Steve D. Hoglund
Steve D. Hoglund, City Clerk Treasurer

APPROVED AS TO FORM:

Bradford Furlong
Bradford Furlong, City Attorney WSBA #12924



UNOFFICIAL DOCUMENT



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Skagit County Auditor

3/15/2011 Page

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EXHIBIT A

UNOFFICIAL DOCUMENT

{CAS827126.DOC;3\06989.045045\}



201103150061

Skagit County Auditor

EXHIBIT A

LEGAL DESCRIPTION

Parcel "A" of survey recorded under AF#200609120004 aka Lots 5-7, Block 2, "Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington" as per plat recorded in Volume 3 of Plats, Page 46, Records of Skagit County, Washington. Survey AF#200803120069



**EXHIBIT A
CITY OF ANACORTES
25TH STREET LOW-IMPACT DEVELOPMENT
DEMONSTRATION PROJECT**

The water infiltration surface shall consist of 645 square yards of pervious asphalt pavement. Perforated underdrains will discharge through a 90 square yard infiltration rain garden into the City's storm drain at the northwest corner of the intersection of Commercial Avenue and 24th Street. The entire demonstration project is located on 25th Street, between Commercial Avenue and an alley 150 feet west of Commercial Avenue.

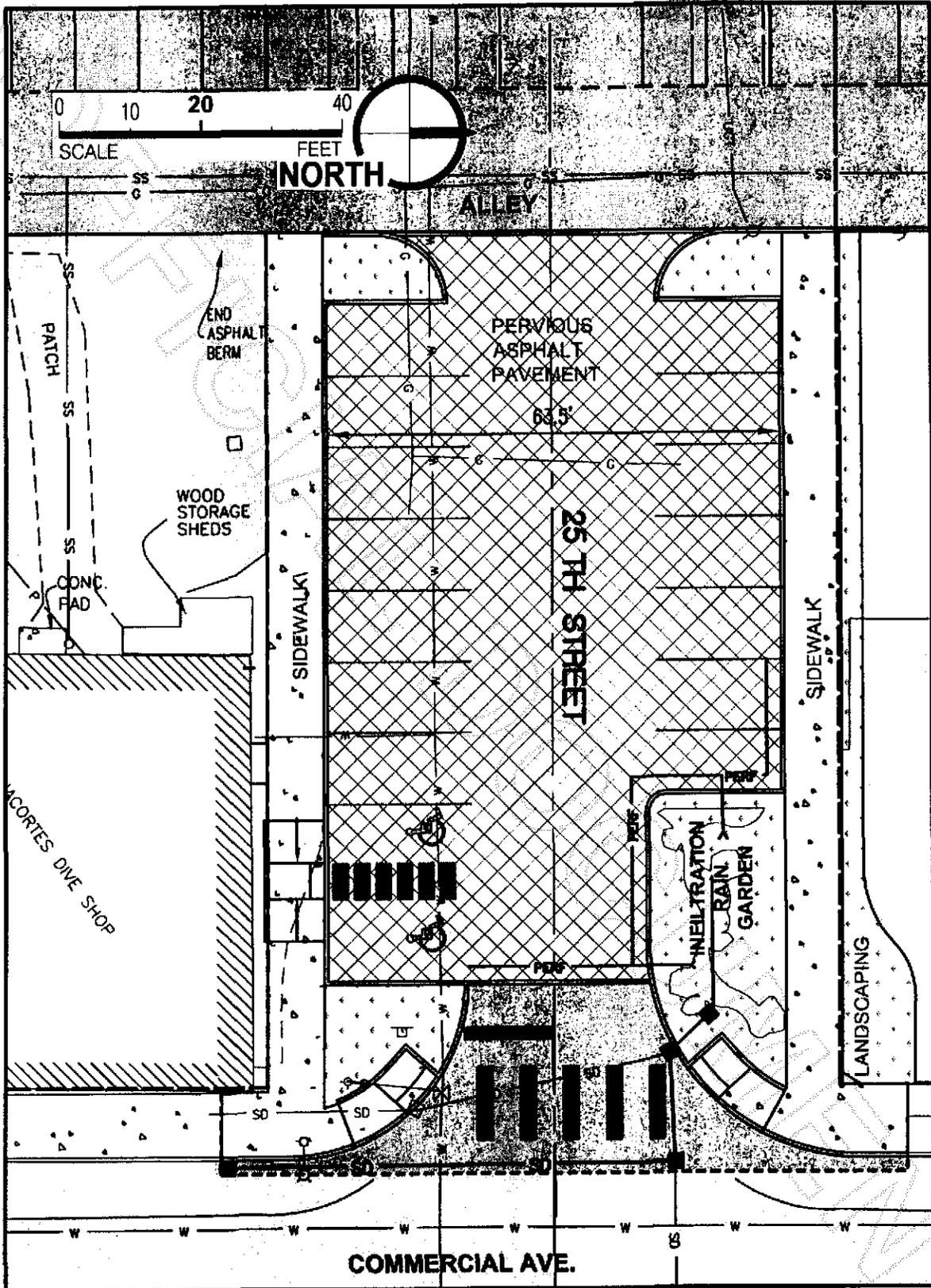
Skagit County, Washington.



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Skagit County Auditor

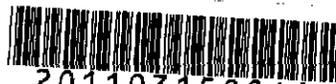
CITY OF ANACORTES
25TH STREET LOW IMPACT
DEVELOPMENT DEMONSTRATION PROJECT

EXHIBIT A



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Skagit County Auditor

UNOFFICIAL DOCUMENT



201103150061
Skagit County Auditor

EXHIBIT B

UNOFFICIAL DOCUMENT

{CAS827126.DOC;3\06989.045045\}



201103150061
Skagit County Auditor

EXHIBIT B

LEGAL DESCRIPTION

For

**SKAGIT COUNTY HOSPITAL DIST #2
OF A UTILITY EASEMENT
IN LOT 5, BLOCK 2, PLAT OF
HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES**

September 9, 2010

The east 20 feet of Lot 5, Block 2, Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington, in the southwest quarter of the southwest quarter of Section 19, Township 35 North, Range 2 East, W.M.

Situate in the City of Anacortes, Skagit County, Washington.



EXHIBIT B
CITY OF ANACORTES
26TH STREET PERPENDICULAR PARKING
ADJACENT TO THE ISLAND HOSPITAL MEDICAL ARTS BUILDING

Fourteen, 9-foot wide and two handicapped parking stalls shall be constructed on the north side of 26th Street, between the alley lying 150 feet west of Commercial Avenue and the circular entrance drive, at the southeast corner of the Island Hospital Campus. These parking stalls shall be perpendicular to the centerline of 26th Street and shall abut the north right-of-way line of 26th Street.

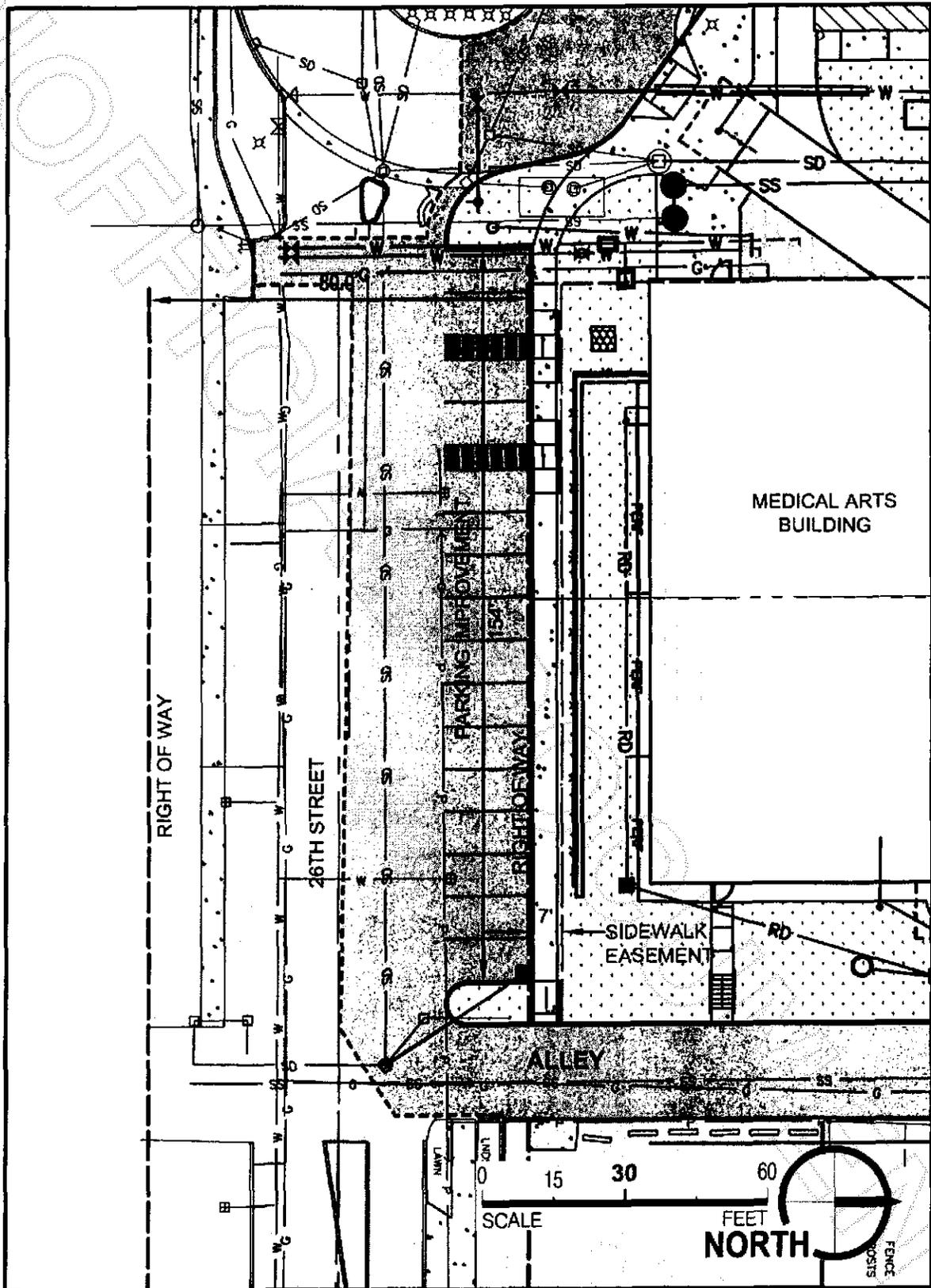
Skagit County, Washington.



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Skagit County Auditor

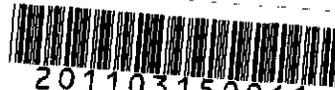
CITY OF ANACORTES
26TH STREET PERPENDICULAR PARKING ADJACENT
TO THE ISLAND HOSPITAL MEDICAL ARTS BUILDING

EXHIBIT B



201103150061
Skagit County Auditor

UNOFFICIAL DOCUMENT



201103150061
Skagit County Auditor

EXHIBIT C

UNOFFICIAL DOCUMENT

{CAS827126.DOC;3\06989.045045\}



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Skagit County Auditor

**EXHIBIT C
CITY OF ANACORTES
ALLEY CONNECTING ISLAND HOSPITAL
MEDICAL ARTS BUILDING PARKING LOT
TO 24TH STREET**

A 16-foot wide alley lying 150 feet west of Commercial Avenue and running south 150 feet, from 24th Street to the Island Hospital Medical Arts Building parking lot.

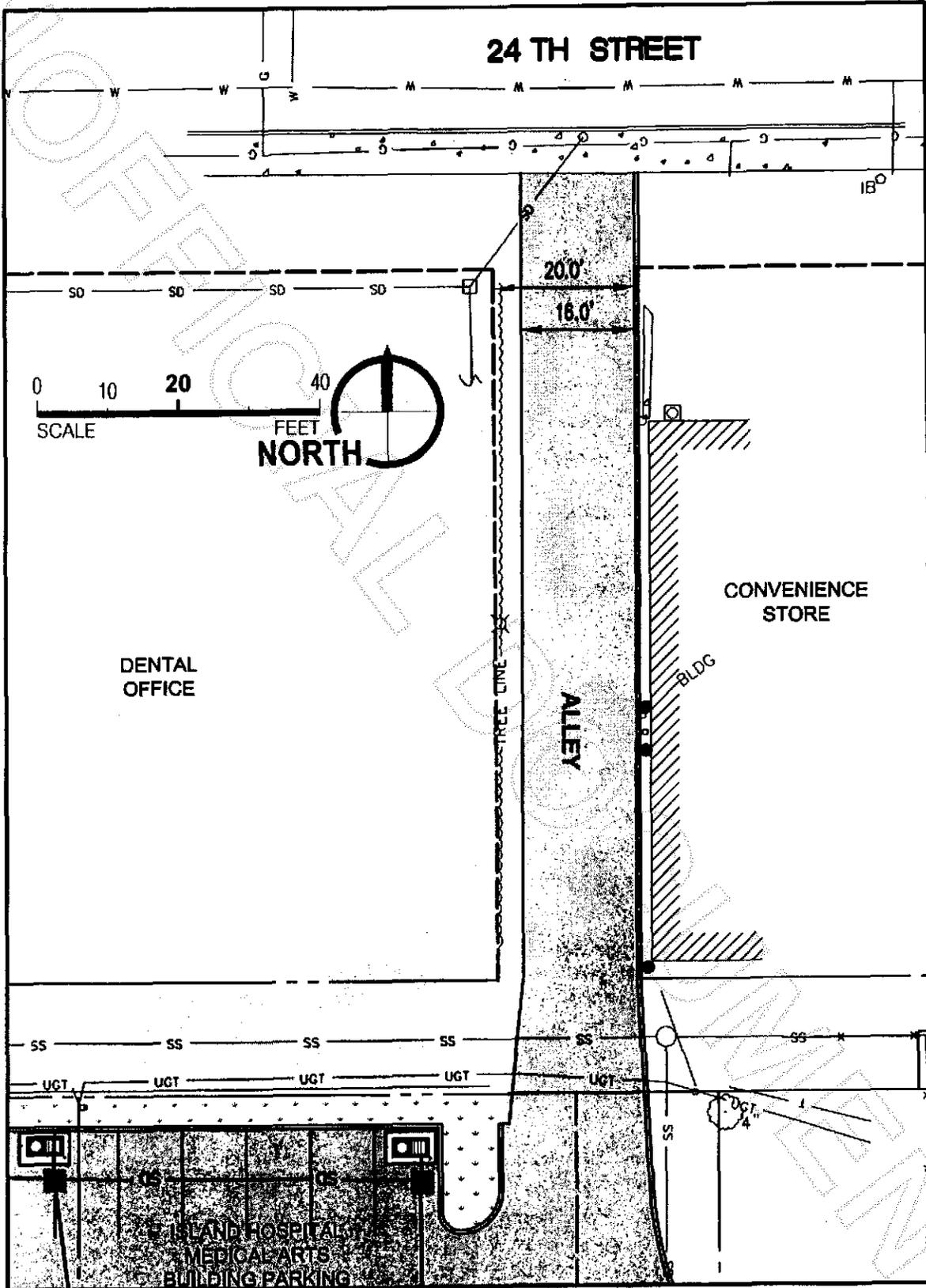
Skagit County, Washington.



201103150061

Skagit County Auditor

EXHIBIT C



201103150061

Skagit County Auditor

UNOFFICIAL DOCUMENT



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Skagit County Auditor

EXHIBIT D

UNOFFICIAL DOCUMENT

{CAS827126.DOC;4\06989.045045\}

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201103150061
Skagit County Auditor

When Recorded Return To:

City of Anacortes
P.O. Box 547
Anacortes, WA 98221-0547

UTILITY AND ACCESS EASEMENT

Reference Number(s)
of Related Documents:

None

Grantor:

Skagit County Public Hospital
District No. 2, a Washington
municipal corporation doing
business as Island Hospital

Grantee:

The City of Anacortes, a
Washington municipal
corporation

Legal Description (abbreviated):

Lots 5-7, Block 2, Plat of
Hensler's First Addition to the
City of Anacortes

Additional Legal on page 6

Assessor's Tax
Account Number:

3794-002-007-0003



UTILITY AND ACCESS EASEMENT AGREEMENT

THIS UTILITY AND ACCESS EASEMENT AGREEMENT ("Agreement") is made this 17th day of Feb, 2011, by and between Skagit County Public Hospital District No. 2, a Washington municipal corporation doing business as Island Hospital ("Grantor"), and The City of Anacortes, a Washington municipal corporation ("Grantee").

WHEREAS, Grantor owns that certain property located at 1014 - 25th St., Anacortes, WA 98221, legally described on Exhibit A attached hereto and incorporated herein by this reference ("Grantor's Property");

WHEREAS, as partial consideration for certain property being vacated by Grantee, Grantor has agreed to grant Grantee a utility and access easement on a portion of Grantor's Property.

NOW, THEREFORE, in consideration of the agreements, covenants, grants, representations and warranties, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Easement.** Grantor hereby conveys, grants, transfers and warrants to Grantee, its successors and assigns, on the terms and conditions set forth herein, a permanent, non-exclusive easement (the "Easement") for ingress, egress, installation, maintenance and operation of utilities over, under, in, along, across and upon the area described in Exhibit B, attached hereto and incorporated herein by this reference (the "Easement Area").
2. **Grantee's Use and Activities.** Grantee shall exercise its rights under this Agreement so as to minimize, and avoid if reasonably possible, interference with Grantor's use of Grantor's Property. Grantee shall at all times conduct its activities in the Easement Area so as not interfere with, obstruct and endanger Grantor's Property. Promptly following completion of any work, Grantee agrees to restore Grantor's Property in at least as good as condition as it existed prior to the commencement of such work.
3. **Absence of Liens.** Grantee shall keep Grantor's Property free from any liens arising out of any work performed, materials furnished or obligations incurred by Grantee in performing any work in the Easement Area. If Grantee does not cause any such lien to be removed within ten (10) business days, Grantor shall have the right to remove such lien by posting appropriate bonds and shall be entitled to reimbursement by Grantee for all costs reasonably incurred by Grantor in removing such liens.
4. **Costs of Maintenance and Construction.** Grantee shall maintain and repair any utilities and improvements installed by Grantee at Grantee's sole cost and expense.



5. Easement Term. The Easement is intended to and shall: (a) run with the land, (b) be a benefit to and binding upon the parties, their successors and assigns, and all future owners of Grantor's Property, and (c) remain in effect in perpetuity, unless sooner terminated by operation of law or by mutual agreement of the then owner of Grantor's Property and Grantee.

6. Attorneys' Fees. In any action at law or in equity or in any arbitration to enforce any of the provisions or rights under this Agreement, the predominately non-prevailing party in such litigation or arbitration, as determined by the court or arbitrator(s) in a final judgment or decree, shall pay the predominately prevailing party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such predominately prevailing party recovers judgment in any such action or proceeding, such costs, expenses and attorneys' fees are to be included in, as part of, such judgment.

7. Indemnification.

7.1 Grantee shall indemnify, defend and hold Grantor harmless from and against any and all liability, loss, damage, expense, actions and claims, including property damage and personal injury, including death and including court costs and reasonable attorneys' fees, whether or not a lawsuit is instituted, asserted against or incurred by Grantor that arise directly or indirectly from, and to the extent of, the acts or omissions of Grantee or its employees, contractors, agents, invitees or licensees, in the use of the Easement and the use and occupancy of Grantee's Easement Area and in any other exercise of Grantee's rights hereunder.

7.2 Grantor shall indemnify, defend and hold Grantee harmless from and against any and all liability, loss, damage, expense, actions and claims, including property damage and personal injury, including death and including court costs and reasonable attorneys' fees, whether or not a lawsuit is instituted, asserted against or incurred by Grantee that arise directly or indirectly from, and to the extent of, the acts or omissions of Grantor or its employees, contractors, agents, invitees or licensees, in connection with any retained use in the Easement Area by Grantor or other easement holders, and in any other exercise of Grantor's rights as owner of the Easement Area.

7.3 The foregoing indemnities are expressly intended to constitute waivers of Grantor's and Grantee's immunities under Washington's Industrial Insurance Act, RCW Title 51, to the extent necessary to provide either party with a full and complete indemnity from claims made by the other party and its employees to the extent provided herein. The parties acknowledge that the indemnification provisions of this Section 7 were specifically negotiated by them.

8. Entire Agreement; Amendments. This Agreement contains the entire understanding between the parties with respect to the subject matter hereof and may not be modified or amended except by a writing signed by the party to be bound.



9. Governing Law; Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Washington. Venue is in an appropriate court in Skagit County, Washington.

10. Headings. The headings which have been used throughout this Agreement have been inserted for convenience of reference only and do not constitute matter to be construed in interpreting this Agreement.

11. Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.

12. Recording. This Agreement, and any amendments hereto, shall be recorded with the real property records of Skagit County, Washington.

SIGNED AS OF THE DATE FIRST WRITTEN ABOVE.

GRANTOR:

Skagit County Public Hospital District
No. 2

John Oliver
By: [Signature]
Its: 2/17/11

GRANTEE:

The City of Anacortes

By: H. Dean Maxwell
H. Dean Maxwell, Mayor

Approved as to form:

BS Furlong
Bradford E. Furlong
City Attorney, WSBA #12924



STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

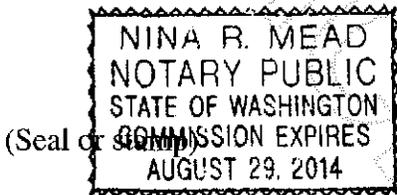
I certify that I know or have satisfactory evidence that Vince Oliver is the person who appeared before me, and said person acknowledged that ~~he~~ ^{his} signed this instrument and acknowledged it to be ~~her~~ ^{his} free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: February 17, 2011.

Nina R Mead
(Signature)

Nina R Mead
(Name legibly printed or stamped)

Notary Public in and for the State of Washington, residing at Anacortes.
My appointment expires 8-29-14



STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

On this 8th day of March, 2011 before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared H. Dean Maxwell known to be the Mayor of the City of Anacortes, a municipal corporation of the State of Washington, which executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that municipality for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the instrument on behalf of the municipality.

Dated: March 8, 2011.

Cherri L Kahns
(Signature)

Cherri L. Kahns
(Name legibly printed or stamped)

Notary Public in and for the State of Washington, residing at Mount Vernon.
My appointment expires 10-19-04

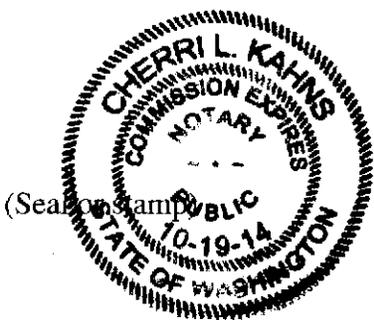


EXHIBIT A

LEGAL DESCRIPTION

Parcel "A" of survey recorded under AF#200609120004 aka Lots 5-7, Block 2, "Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington" as per plat recorded in Volume 3 of Plats, Page 46, Records of Skagit County, Washington. Survey AF#200803120069



EXHIBIT B

LEGAL DESCRIPTION

For

SKAGIT COUNTY HOSPITAL DIST #2

OF A UTILITY EASEMENT

IN LOT 5, BLOCK 2, PLAT OF

HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES

September 9, 2010

The east 20 feet of Lot 5, Block 2, Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington, in the southwest quarter of the southwest quarter of Section 19, Township 35 North, Range 2 East, W.M.

Situate in the City of Anacortes, Skagit County, Washington.



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Skagit County Auditor

EXHIBIT E

UNOFFICIAL DOCUMENT

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201103150061
Skagit County Auditor

When Recorded Return To:

City of Anacortes
P.O. Box 547
Anacortes, WA 98221-0547

UTILITY EASEMENT

Reference Number(s)
of Related Documents:

None

Grantor:

Skagit County Public Hospital District
No. 2, a Washington municipal
corporation doing business as Island
Hospital

Grantee:

The City of Anacortes, a Washington
municipal corporation

Legal Description (abbreviated):

Ptn of 25th Street, Abutting Block 3;
Hensler's 1st Add. To City of Anacortes

Additional Legal on page 7

Assessor's Tax
Account Numbers:

3794-003-010-0006; 3794-003-012-0004;
3794-002-007-0003; 3794-002-010-0008



UTILITY EASEMENT AGREEMENT

THIS UTILITY EASEMENT AGREEMENT ("Agreement") is made this 17th day of Feb, 2011, by and between Skagit County Public Hospital District No. 2, a Washington municipal corporation doing business as Island Hospital ("Grantor"), and The City of Anacortes, a Washington municipal corporation ("Grantee").

WHEREAS, Grantee is vacating the property legally described on Exhibit A attached hereto and incorporated herein by this reference to the Grantor ("the Vacated Property");

WHEREAS, as partial consideration for the property being vacated by Grantee, Grantor has agreed to grant Grantee utility easements in two portions of the Vacated Property.

NOW, THEREFORE, in consideration of the agreements, covenants, grants, representations and warranties, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Grant of Easement. Grantor hereby conveys, grants, transfers and warrants to Grantee, its successors and assigns, on the terms and conditions set forth herein, permanent, non-exclusive easements (collectively, the "Easements") for the following areas (collectively, the "Easement Areas"):

1.1 An easement for installation, maintenance and operation of underground water and gas lines over, under and through the north 20 feet of the south 33 feet of that portion of 25th street in the Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington lying east of the west line of Section 19, Township 35 North, Range 2 East, W.M. and west of the east line of Lot 8, Block 3 of said Plat extended northerly to the south line of Block 2 of said Plat, situate in the City of Anacortes, Skagit County, Washington, as depicted on Exhibit B attached hereto and incorporated herein.

1.2 An easement for installation, maintenance and operation of underground telephone lines over, under and through the south 10 feet of the north 20 feet of that portion of 25th street in the Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington lying east of the west line of Section 19, Township 35 North, Range 2 East, W.M. and west of the east line of Lot 8, Block 3 of said Plat extended northerly to the south line of Block 2 of said Plat, situate in the City of Anacortes, Skagit County, Washington, as depicted on Exhibit B attached hereto and incorporated herein.



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Skagit County Auditor

2. Grantee's Use and Activities. Grantee shall exercise its rights under this Agreement so as to minimize, and avoid if reasonably possible, interference with Grantor's use of the Vacated Property. Grantee shall at all times conduct its activities in the Easement Areas so as not interfere with, obstruct and endanger the Vacated Property. Promptly following completion of any work, Grantee agrees to restore the Vacated Property in at least as good as condition as it existed prior to the commencement of such work.

3. Absence of Liens. Grantee shall the Vacated Property free from any liens arising out of any work performed, materials furnished or obligations incurred by Grantee in performing any work in the Easement Areas. If Grantee does not cause any such lien to be removed within ten (10) business days, Grantor shall have the right to remove such lien by posting appropriate bonds and shall be entitled to reimbursement by Grantee for all costs reasonably incurred by Grantor in removing such liens.

4. Costs of Maintenance and Construction. Grantee shall maintain and repair any utilities and improvements installed by Grantee in the Easement Areas at Grantee's sole cost and expense.

5. Easement Term. The Easement is intended to and shall: (a) run with the land, (b) be a benefit to and binding upon the parties, their successors and assigns, and all future owners of Grantor's Property, and (c) remain in effect in perpetuity, unless sooner terminated by operation of law or by mutual agreement of the then owner of the Vacated Property and Grantee.

6. Attorneys' Fees. In any action at law or in equity or in any arbitration to enforce any of the provisions or rights under this Agreement, the predominately non-prevailing party in such litigation or arbitration, as determined by the court or arbitrator(s) in a final judgment or decree, shall pay the predominately prevailing party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such predominately prevailing party recovers judgment in any such action or proceeding, such costs, expenses and attorneys' fees are to be included in, as part of, such judgment.

7. Indemnification.

7.1 Grantee shall indemnify, defend and hold Grantor harmless from and against any and all liability, loss, damage, expense, actions and claims, including property damage and personal injury, including death and including court costs and reasonable attorneys' fees, whether or not a lawsuit is instituted, asserted against or incurred by Grantor that arise directly or indirectly from, and to the extent of, the acts or omissions of Grantee or its employees, contractors, agents, invitees or licenses, in the use of the Easement and the use and occupancy of Grantee's Easement Area and in any other exercise of Grantee's rights hereunder.

7.2 Grantor shall indemnify, defend and hold Grantee harmless from and against any and all liability, loss, damage, expense, actions and claims, including property damage



and personal injury, including death and including court costs and reasonable attorneys' fees, whether or not a lawsuit is instituted, asserted against or incurred by Grantee that arise directly or indirectly from, and to the extent of, the acts or omissions of Grantor or its employees, contactors, agents, invitees or licensees, in connection with any retained use in the Easement Area by Grantor or other easement holders, and in any other exercise of Grantor's rights as owner of the Easement Area.

7.3 The foregoing indemnities are expressly intended to constitute waivers of Grantor's and Grantee's immunities under Washington's *Industrial Insurance Act*, RCW Title 51, to the extent necessary to provide either party with a full and complete indemnity from claims made by the other party and its employees to the extent provided herein. The parties acknowledge that the indemnification provisions of this Section 7 were specifically negotiated by them.

8. Entire Agreement; Amendments. This Agreement contains the entire understanding between the parties with respect to the subject matter hereof and may not be modified or amended except by a writing signed by the party to be bound.

9. Governing Law; Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Washington. Venue is in an appropriate court in Skagit County, Washington.

10. Headings. The headings which have been used throughout this Agreement have been inserted for convenience of reference only and do not constitute matter to be construed in interpreting this Agreement.

11. Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.

12. Recording. This Agreement, and any amendments hereto, shall be recorded with the real property records of Skagit County, Washington.



STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

On this 8th day of March, 2011, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared H. Dean Maxwell known to be the Mayor of the City of Anacortes, a municipal corporation of the State of Washington, which executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that municipality for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the instrument on behalf of the municipality.

Dated: March 8, 2011

Cheri L. Kahns

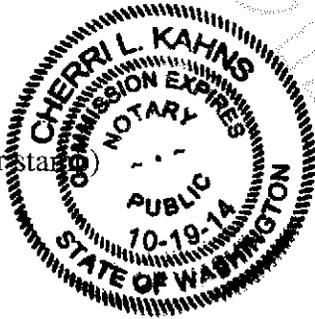
(Signature)

Cheri L. Kahns

(Name legibly printed or stamped)

Notary Public in and for the State of Washington, residing at Mount Vernon.
My appointment expires 10-19-14

(Seal or stamp)



**EXHIBIT A
LEGAL DESCRIPTION OF VACATED PROPERTY**

That portion of 25th street in the Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington lying east of the west line of Section 19, Township 35 North, Range 2 East, W.M. and west of the east line of Lot 8, Block 3 of said Plat extended northerly to the south line of Block 2 of said Plat.

As shown on the Survey for B. Jurkovich & Skagit County Hospital Dist #2, recorded under Auditor's File Number 200803120069.

Situate in the City of Anacortes, Skagit County, Washington.



EXHIBIT B

UNOFFICIAL DOCUMENT

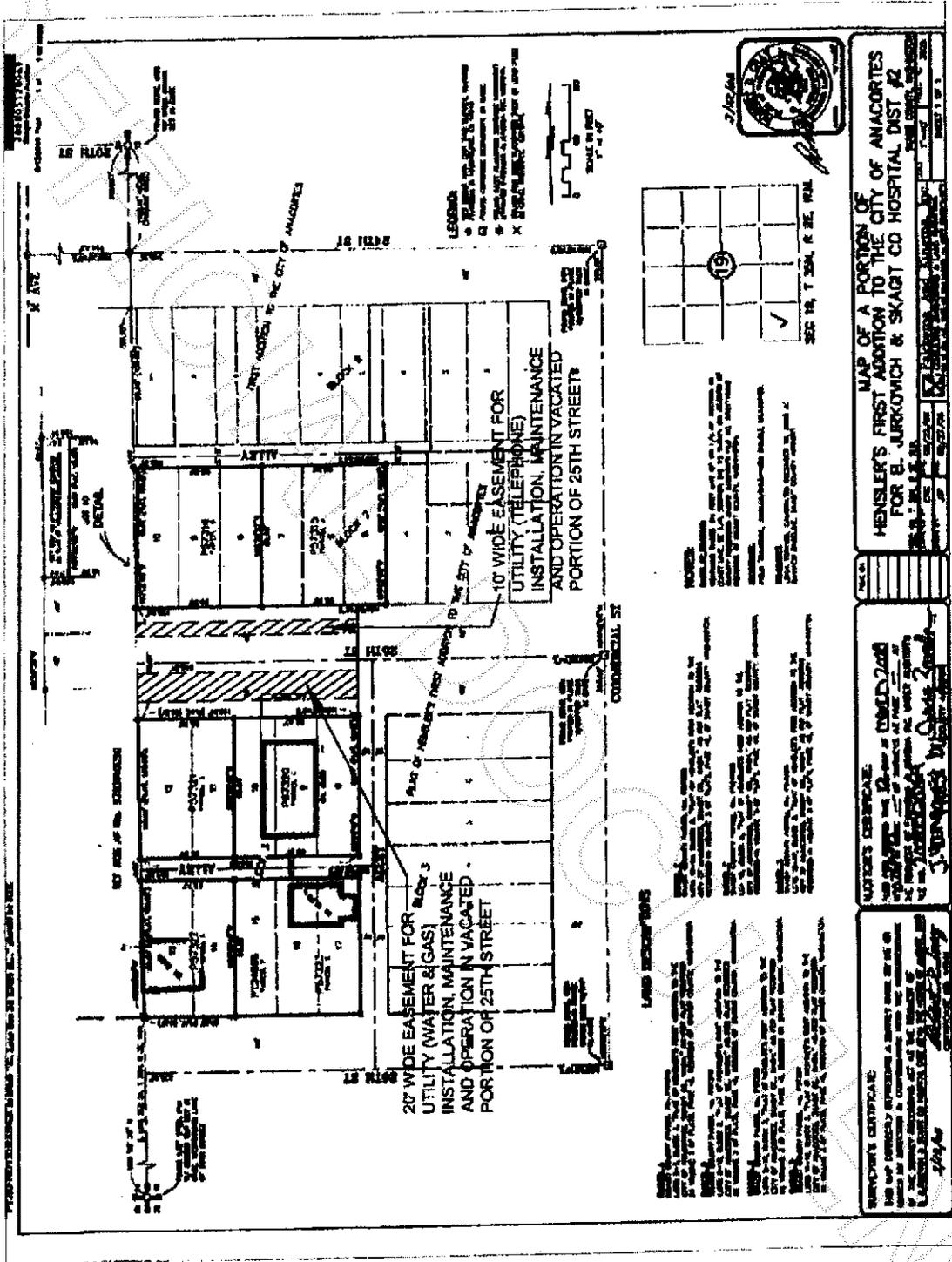
{CAS832026.DOC;1\06989.045045\}



201103150061

Skagit County Auditor

EXHIBIT B



SEE 19, T. 35N., R. 2E., W. 11E.

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NOTES:
 1. THIS PLAT IS A PART OF A MAP OF A PORTION OF HENSLEY'S FIRST ADDITION TO THE CITY OF ANACORTES FOR E. JURKOVICH & SKAGIT CO HOSPITAL DIST #2.
 2. THE PLAT IS SUBJECT TO THE CITY OF ANACORTES ZONING ORDINANCES.
 3. THE PLAT IS SUBJECT TO THE CITY OF ANACORTES UTILITY ORDINANCES.
 4. THE PLAT IS SUBJECT TO THE CITY OF ANACORTES EASEMENT ORDINANCES.
 5. THE PLAT IS SUBJECT TO THE CITY OF ANACORTES VACATED PORTION OF 25TH STREET ORDINANCES.
 6. THE PLAT IS SUBJECT TO THE CITY OF ANACORTES PORTION OF 25TH STREET ORDINANCES.

LAND DESCRIPTIONS:
 1. 20' WIDE EASEMENT FOR UTILITY (WATER & GAS) INSTALLATION, MAINTENANCE AND OPERATION IN VACATED PORTION OF 25TH STREET.
 2. 10' WIDE EASEMENT FOR UTILITY (TELEPHONE) INSTALLATION, MAINTENANCE AND OPERATION IN VACATED PORTION OF 25TH STREET.
 3. VACATED PORTION OF 25TH STREET.
 4. PORTION OF 25TH STREET.

NOTICE'S CERTIFICATE:
 I, the undersigned, being duly sworn, depose and say that the foregoing is a true and correct copy of the original plat of the above described land as the same appears on file in the office of the County Auditor of Skagit County, Washington, and that the same is a true and correct copy of the original plat of the above described land as the same appears on file in the office of the County Auditor of Skagit County, Washington.

MAP OF A PORTION OF HENSLEY'S FIRST ADDITION TO THE CITY OF ANACORTES FOR E. JURKOVICH & SKAGIT CO HOSPITAL DIST #2

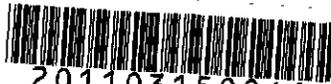
NOTICE'S CERTIFICATE:
 I, the undersigned, being duly sworn, depose and say that the foregoing is a true and correct copy of the original plat of the above described land as the same appears on file in the office of the County Auditor of Skagit County, Washington, and that the same is a true and correct copy of the original plat of the above described land as the same appears on file in the office of the County Auditor of Skagit County, Washington.

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 Skagit County Auditor

UNOFFICIAL DOCUMENT



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Skagit County Auditor

3/15/2011 Page

38 of

46 3:14PM

EXHIBIT F

UNOFFICIAL DOCUMENT



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Skagit County Auditor

When Recorded Return To:

City of Anacortes
P.O. Box 547
Anacortes, WA 98221-0547

SIDEWALK EASEMENT

Reference Number(s)
of Related Documents:

None

Grantor (Last, First, M.I.):

Skagit County Public Hospital
District No. 2, a Washington
municipal corporation doing
business as Island Hospital

Grantee (Last, First, M.I.):

The City of Anacortes, a
Washington municipal
corporation

Legal Description (abbreviated):

Lots 13-17, Block 3, Hensler's
1st Addition to Anacortes

Additional Legal on page 6

Assessor's Tax
Account Number:

3794-003-015-0001, 3794-003-
015-0100, 3794-003-017-0009



SIDEWALK EASEMENT AGREEMENT

THIS SIDEWALK EASEMENT AGREEMENT ("Agreement") is made this 17th day of Feb, 2011, by and between Skagit County Public Hospital District No. 2, a Washington municipal corporation doing business as Island Hospital ("Grantor"), and The City of Anacortes, a Washington municipal corporation ("Grantee").

WHEREAS, Grantor owns that certain property located legally described on Exhibit A, attached hereto and incorporated herein by this reference ("Grantor's Property");

WHEREAS, as partial consideration for certain property being vacated by Grantee and as part of the redevelopment of Grantor's Property, Grantor has agreed to design and install a sidewalk for public use on Grantor's Property;

NOW, THEREFORE, in consideration of the agreements, covenants, grants, representations and warranties, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Easement.** Grantor hereby conveys, grants, transfers and warrants to Grantee, its successors and assigns, on the terms and conditions set forth herein, a permanent, non-exclusive easement (the "Easement"), over, under, in, along, across and upon the area described in Exhibit B, attached hereto and incorporated herein by this reference (the "Easement Area") for the uses described herein.

2. **Use of Easement.** The public has the right of ingress and egress over, along, across and upon on the Easement Area for the purpose of making use of the sidewalk designed and constructed by Grantor. Grantee has the right of ingress and egress over, under, in, along, across and upon the Easement Area for the purposes of construction, operation, maintenance, repair and replacement of certain improvements including without limitation street lights and poles, related foundation structures and electrical lines and connections servicing the street lights and poles, sidewalks, related foundations and landscaping in respect of the sidewalk on the Easement Area. Following installation, Grantee shall maintain and repair the sidewalk in reasonably good condition and repair at Grantee's sole cost and expense.

3. **Grantor's Use.** Neither Grantor nor any other owner of Grantor's Property shall: (a) erect any structure on, under, or over the Easement Area without the prior written approval of Grantee, which Grantee shall not withhold unreasonably, or (b) take or permit any other action, or omit to take any action, any of which has or would have the effect of interfering with the Easement, including but not limited to, Grantee's right of ingress and egress and the public's right to use the sidewalk.



4. Absence of Liens. Grantee shall keep Grantor's Property free from any liens arising out of any work performed, materials furnished or obligations incurred by Grantee in performing any work in the Easement Area. If Grantee does not cause any such lien to be removed within ten (10) business days, Grantor shall have the right to remove such lien by posting appropriate bonds and shall be entitled to reimbursement by Grantee for all costs reasonably incurred by Grantor in removing such liens.

5. Easement Term. The Easement is intended to and shall: (a) run with the land, (b) be a benefit to and binding upon the parties, their successors and assigns, and all future owners of Grantor's Property, and (c) remain in effect in perpetuity, unless sooner terminated by operation of law or by mutual agreement of the then owner of Grantor's Property and Grantee.

6. Attorneys' Fees. In any action at law or in equity or in any arbitration to enforce any of the provisions or rights under this Agreement, the predominately non-prevailing party in such litigation or arbitration, as determined by the court or arbitrator(s) in a final judgment or decree, shall pay the predominately prevailing party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such predominately prevailing party recovers judgment in any such action or proceeding, such costs, expenses and attorneys' fees are to be included in, as part of, such judgment.

7. Indemnification.

7.1 Grantee shall indemnify, defend and hold Grantor harmless from and against any and all liability, loss, damage, expense, actions and claims, including property damage and personal injury, including death and including court costs and reasonable attorneys' fees, whether or not a lawsuit is instituted, asserted against or incurred by Grantor that arise directly or indirectly from, and to the extent of, the acts or omissions of Grantee or its employees, contractors, agents, invitees or licenses, in the use of the Easement and the use and occupancy of Grantee's Easement Area and in any other exercise of Grantee's rights hereunder.

7.2 Grantor shall indemnify, defend and hold Grantee harmless from and against any and all liability, loss, damage, expense, actions and claims, including property damage and personal injury, including death and including court costs and reasonable attorneys' fees, whether or not a lawsuit is instituted, asserted against or incurred by Grantee that arise directly or indirectly from, and to the extent of, the acts or omissions of Grantor or its employees, contractors, agents, invitees or licensees, in connection with any retained use in the Easement Area by Grantor or other easement holders, and in any other exercise of Grantor's rights as owner of the Easement Area, and including any claim based on the design or initial construction of the sidewalk within the Easement Area.

7.3 The foregoing indemnities are expressly intended to constitute waivers of Grantor's and Grantee's immunities under Washington's Industrial Insurance



Act, RCW Title 51, to the extent necessary to provide either party with a full and complete indemnity from claims made by the other party and its employees to the extent provided herein. The parties acknowledge that the indemnification provisions of this Section 7 were specifically negotiated by them.

8. Entire Agreement; Amendments. This Agreement contains the entire understanding between the parties with respect to the subject matter hereof and may not be modified or amended except by a writing signed by the party to be bound.

9. Governing Law; Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Washington. Venue is in an appropriate court in Skagit County, Washington.

10. Headings. The headings which have been used throughout this Agreement have been inserted for convenience of reference only and do not constitute matter to be construed in interpreting this Agreement.

11. Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.

12. Recording. This Agreement, and any amendments hereto, shall be recorded with the real property records of Skagit County, Washington.

SIGNED AS OF THE DATE FIRST WRITTEN ABOVE.

GRANTOR:

Skagit County Public Hospital District No. 2

WAGE CLERK
By: [Signature]
Its: 650

GRANTEE:

The City of Anacortes

H. Dean Maxwell
H. Dean Maxwell, Mayor

Approved as to form:

BE Furlong
Bradford E. Furlong, WSBA #12924
City Attorney



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

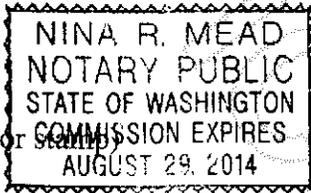
I certify that I know or have satisfactory evidence that Vince Oliver is the person who appeared before me, and said person acknowledged that ~~he~~ ^{she} signed this instrument and acknowledged it to be ~~her~~ ^{his} free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: February 17, 2011.

Nina R. Mead
(Signature)

Nina R Mead
(Name legibly printed or stamped)

Notary Public in and for the State of Washington, residing at Anacortes.
My appointment expires 8-29-14



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 8th day of March, 2011 before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared H. Dean Maxwell, known to be the mayor of the City of Anacortes, a municipal corporation of the State of Washington, which executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of that municipality for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the instrument on behalf of the municipality.

Dated: March 8, 2011.

Cherri L Kahns
(Signature)

Cherri L. Kahns
(Name legibly printed or stamped)

Notary Public in and for the State of Washington, residing at Mount Vernon.
My appointment expires 10-19-14

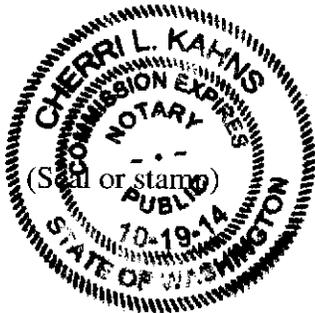


EXHIBIT A

LEGAL DESCRIPTION

Lots 13-17, Block 3, Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington, as per plat recorded in Volume 3 of Plats, Page 46, Records of Skagit County, Washington, survey no. AF#200803120069.



EXHIBIT B

EASEMENT AREA

**IN LOTS 13-17, BLOCK 3, PLAT OF
HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES**

The south 7 feet of Lots 13 through 17 inclusive, Block 3, Plat of Hensler's First Addition to the City of Anacortes, Skagit County, Washington recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington, in the southwest quarter of the southwest quarter of Section 19, Township 35 North, Range 2 East, W.M.

Situate in the City of Anacortes, Skagit County, Washington.

